

STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION

May 11, 2022

TOPIC: Arapahoe Community College (ACC) - Sale of the Parker Campus and Lease with Douglas County School District (DCSD) at their Legacy Innovation Campus

PRESENTED BY: Dr. Eric Dunker, Associate Vice President and Dean of Business, Technology, and Workforce Partnerships, ACC; Dr. Belinda Aaron, VP of Finance and Administrative Services, ACC

RELATIONSHIP TO THE STRATEGIC PLAN:

- Transform the student experience
- Transform our own workforce experience
- Redefine our Value Proposition through accessibility, affordability, quality, accountability, resource development, and operational excellence.

EXPLANATION:

Background:

In Fall 2021, DCSD began exploration of the purchase of the CU South property (Lincoln & I25) to build an “innovation campus” similar to the Cherry Creek District’s campus. They also approached ACC expressing interest in purchasing the ACC Parker property with the goal of renovating to create an alternative high school for the district.

While ACC is not actively seeking to sell the ACC Parker property, the college recognizes that opportunities exist to leverage and capitalize on a more strategic and intentional presence in the Parker/Lone Tree service area, strengthening our partnership with DCSD in building programs, increasing enrollment, and meeting workforce training/education needs.

Overall enrollment at ACC is steady despite the pandemic and the college’s Fall 2021 enrollment (headcount & FTE) is up from Fall 2020. However, the enrollment patterns have shifted with the growth (+13%) occurring at our Castle Rock campus as well as online and decreasing at Littleton (-11.7%) and Parker (-12%). The current Parker Campus is made up of mostly general studies with little CTE and pathways programs, and the current building set up makes it difficult to renovate for more CTE.

FTE Count for the 3 Campuses					
Academic Year	Academic Year	Littleton Campus	Sturm (Castle Rock) Campus	Parker Campus	Grand Total
2020	2019-2020	2,307	308	217	2,832
2021	2020-2021	2,037	348	191	2,576
Difference		-11.7%	+13.0%	-12.0%	-9.0%

Since the February SBCCOE discussion, changes have occurred (leadership in DCSD Board, Superintendent) and recognition of construction realities are better understood. The latter has shifted expectations and timeline of what was possible for ACC for the 2022-2023 school year. However, ACC believes strongly in the partnership and is confident about DCSD’s commitment.

ACC and DCSD have worked together to actualize the following:

1. Sale Price: There is agreement on a sale price of \$7.5M of the Parker Campus to DCSD with a closing date of May 31, 2022.

2. Lease back space of Parker: DCSD advised ACC would not be able to safely occupy the Parker facility due to construction during 2022-23. ACC prefers not to lease back space during 2022-2023, because of the construction and the belief that FTE for in-person classes (mostly general education) originally planned at Parker for 2022-2023 year could be delivered at Littleton, Sturm, as well as online. We do have an agreement to have shared advising/counseling space with DCSD twice a week once they open their new alternative high school at the current Parker site.

ACC has growth and demand for online. Parker FTE has been declining and represents only about 4.5% of the college’s total FTE whereas online ACC FTE represents about 26.6% and is anticipated to grow, as ACC CCC Online is 15.8% of the college’s FTE.

3 – Leasing space at DCSD’s Legacy Campus: ACC is excited and encouraged by the partnership and enrollment/programming opportunities that exist working with DCSD at their Legacy Campus (former CU South Wildlife Building). DCSD plans to have 600-800 students at this campus by Fall 2023 with room to grow. The lease agreement between ACC & DCSD for ACC presence on the Legacy Innovation campus

- Term: Ten years with an option to renew an additional ten years, with the renewal subject to the approval of DCSB per state statute that limits K-12 leases to Higher Ed to ten years.
- Rent: \$12.00 sq. ft. annually. No rent increase until July 2025 with Rent increases tied to ACC tuition rate increases. Gross lease includes all utilities and maintenance. After construction is complete, annual rent will be \$97,380 for 8,110 sq. ft. which is less than the operating costs at the ACC Parker facility.

- Spaces and CTE Programs:
 - ACC EMT will occupy 2,110 sq. ft. in the basement starting Fall 2022.
 - Advanced Robotics and Smart Grid programs will occupy 6,000 sq. ft. on the main floor after DCSD completes construction of the space in Fall 2023. DCSD buildout is specifically for these two ACC CTE programs.
 - Exploring a sublease of CU nursing space in the basement for ACC CNA program.
 - ACC will have the ability to reserve and use the Event Center and Theater.
- DCSD and ACC will have signage on Lincoln Avenue.
- Plan to partner to grow programming for concurrent enrollment in future phases of the campus and will first consult with ACC about expansion of educational programming into additional space when developing future phases of the campus.

ACC is requesting the Board approve the sale of Parker and support ACC's leasing of space at the DCSD Legacy Innovation Campus.

RECOMMENDATION:

Staff recommends the board approve the sale of the Parker campus and delegate signature authority to the Vice Chancellor for Finance and Administration to sign any necessary closing documents for the sale and the Lease Agreement between ACC and DCSD.